

# City of Seattle Voluntary Deferred Compensation Plan Trust Committee Special Meeting Minutes

Friday, March 3, 2017 11:00 am – 12:30 pm  
Seattle Municipal Tower, Room 5531

**TRUSTEES present:** Teri Allen, Bill Alves, Susan Coskey, Scott Fuquay, Jeff Davis and Brian Smith (**absent:** Glen Lee)

**STAFF present:** Renee Freiboth, SDHR; Michelle Ell, SDHR; Carlton Seu, CAO

**CONSULTANTS present:** Stuart Payment, SageView Advisory Group; Jeff Curnutt, Thorson Barnett & McDonald

**GUESTS present:** Kent Morris & Kristopher Morton, Nationwide

## BUSINESS

**Opening:** Teri Allen, the Committee Chair, started the meeting at 11:00 am.

**Introductions:** All attendees introduced themselves.

**Public Comment:** There were no public comments.

**Minutes of January 25, 2017 Regular Meeting:** Teri asked for a review of these meeting minutes. As there was no objection, the meeting minutes were deemed accepted as written.

**Regular Business Items:** Michelle Ell provided a staffing update. Albert Ng has left employment with the city and Crystal Roncek will be leaving employment March 16, 2017. Kyle Miller will assist during this transition period.

**Executive Session:** Commenced at 11:04 am and concluded at 11:34 am.

**MOTION:** Teri Allen moved that the Plan Committee hire additional outside legal counsel – Mondress, Monaco, Parr, Lockwood, PLLC – for ongoing legal services, and request that the City law department approve and enter into a contract for these services. Susan Coskey seconded the motion. Upon a call for a vote, the motion was approved unanimously.

### Prudential Security Update:

Michelle stated that the Prudential investigation is still on-going and that the Trust Committee memo has been mailed to participants. The memo generated only a few inquiries from participants. Bill Alves stated he wanted to know the standards for theft and who is responsible for theft when we transition to Nationwide. Staff will investigate further and provide an update at the next meeting.

**Record-keeper/ Custodian Transition Updates:**

After coordination with Payroll, HRIS, Prudential, and Nationwide, Michelle stated that the Nationwide go-live date will be June 9, 2017 and that a blackout period would begin May 31, 2017 and would end the morning of June 9, 2017. Bill Alves questioned why it was so long and whether it should be shortened given the guidance from NAGDCA. Staff explained that each transition is unique but the timing will work for all groups involved. Susan requested that we develop clear communication for the blackout and identify the best practices based on other transitions of plans of similar size. Staff will provide an update next session on additional blackout period lengths for other governmental plans, blackout communications, and whether the blackout period length can be decreased for this transition.

The committee reviewed a copy of the Transition Announcement to be distributed to employees. William Alves requested a notation near the beginning of the memo stating that “No Action Needed at this time” and that all the same funds will be available.

**Plan Expense Allocation/SageView Advisory:** Stuart Payment reviewed the Committee’s past cost allocation decision, which was to allocate fees as a percentage of participant assets. He walked through the Administrative Cost Assessment document and stated SageView recommends an administrative charge of 0.14% (14 bps) on plan assets to cover plan costs through 2018. Stuart pointed out that the plan wanted to hold roughly one years’ worth of expenses in the Plan’s expense account and a charge of 0.14% based on the analysis is projected to get the plan to that point. Jeff Davis asked where the funds would be held and Stuart explained they would be held in the Stable Value fund.

**MOTION:** Teri Allen moved that the Plan Committee approve the Plan Expense amount of 14.0 basis points to be allocated to all participants on a Pro-Rata basis, per the Committee’s prior vote regarding assessment methodology. William Alves seconded the motion. Upon a call for a vote, the motion was approved unanimously.

**Adjournment:** Teri Allen moved to adjourn the meeting at 12:30. Bill Alves seconded the motion.

**Next Meeting:** The next regular meeting is scheduled for Wednesday, March 29, 2017 at 10:00am in the Seattle Municipal Tower, Conference Room 4080.